



Development of Wholesale Food Markets

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Abstract: *The development of wholesale markets in Uzbekistan is in the directions of their enlargement, deeper specialization, formation of market infrastructure, and their transformation into wholesale and distribution centers of food, which provide for the implementation of transactions only with standardized products. The main functions of all types of wholesale markets are organization and formation of conditions for independent small wholesale trade, organization of large wholesale transactions. The wholesale market is a component of the wholesale trade system and has an independent economic structure. Its task is to organize trade of agricultural raw materials and food products between independent sellers and buyers in certain places and on the basis of established rules. The activities of wholesale distribution centers include several functions: provision of sales areas, cooling chambers, warehouse facilities, and provision of transportation, advertising, informational, and other services. The wholesale market addresses these critical issues.*

Keywords: *Food market, food security, agricultural economics, farming, infrastructure, Uzbekistan, wholesale markets.*

The formation of an effective market system for the distribution of agricultural products and food products is a priority of the State food policy. One of the important elements of this system is the transition to organized wholesale markets.

Wholesale food markets are a reliable channel for the movement of agricultural products to consumers and the development of trade relations; is an important means of strengthening market relations and increasing the income of market entities.

In the practice of market relations, two interdependent systems of the movement of agricultural products towards consumers have emerged: the system of supermarkets and the system of wholesale markets of perishable products, and the system of wholesale markets of specialized means of production and services for producers of raw materials and the processing industry.

The development of wholesale markets in Uzbekistan is in the directions of their enlargement, deeper specialization, formation of market infrastructure, and their transformation into wholesale and distribution centers of food, which provide for the implementation of transactions only with standardized products.

At the same time, food delivery channels bypassing the wholesale markets and directly to the retail system (company stores, supermarkets, general catering) are being formed.

The main functions of all types of wholesale markets are organization and formation of conditions for independent small wholesale trade (distribution chain), organization of large wholesale transactions (intermediary service).

The wholesale market is a component of the wholesale trade system and has an independent economic structure. Its task is to organize trade of agricultural raw materials and food products between independent sellers and buyers in certain places and on the basis of established rules. The activities of wholesale distribution centers include several functions: provision of sales areas, cooling chambers, warehouse facilities, and provision of transportation, advertising, informational, and other services. The wholesale market addresses these critical issues.

1. It collects food for sale in one place, which facilitates and accelerates its movement towards the consumer. At the same time, financial settlements between sellers and buyers are eased. All commodity owners and wholesale buyers are guaranteed equal and free activity in the competitive market.
2. Serves as a source of information on supply and demand for food products. The only automated system for agricultural and food products is capable of analyzing market conditions, volume, sales conditions, presence of competitors through marketing research. The information service, equipped with the latest office equipment, special software, should have a network connection with such a database of other countries.
3. Real market prices are formed here with a tendency to lower them. The wholesale market is a convenient place for placing orders for the supply of food products on the basis of selection for the provision of commodity interventions and stable state purchases, for the formation of republican and regional food funds. Here it is possible to implement a support system for producers of goods using guaranteed minimum prices.
4. Provides advertising services. These services can be free of charge in the form of advertisements on various stands, leaflets, newspapers, television, radio, or at the order of certain wholesalers.
5. Performs quality control and product certification as follows:
 - conducts an examination to confirm the right to sell in accordance with the requirements of the documents in case of direct realization;
 - checks compliance with the mandatory requirements by tests in agreement with the customer when the service is provided;
 - conducts voluntary examination of documents or product quality.
6. It plays a positive role in the development of the interstate integration process and in increasing the efficiency of the international division of labor.

There are the following categories of participants (contractors) in the wholesale market:

- ✓ sellers: producers of goods (companies, farms, farms, processing enterprises), wholesale trade structures;
- ✓ buyers: retail trade, catering organizations, raw material processing industry, large and small wholesale trade structures, private individuals buying small batches of goods for personal consumption and other counterparties representing domestic or foreign markets.

When organizing wholesale trade, it is advisable to operate different distribution centers in parallel, because each of them is designed for target groups that are divided territorially according to the nature of the business.

Experience shows that effective functioning of the market can be achieved only when a system of national, regional and local (local) wholesale markets is created.

The system of wholesale food markets is wholesale markets at different levels; legal provision and activity system; information supply systems; bank settlement and transaction insurance system; is a complex organizational and technical complex that includes the engineering service system and other structural elements.

The territorial structure of this system is determined by the presence of local (district, zonal, interdistrict), regional, interregional and interstate markets. In order to accommodate the services of the wholesale food market in the city, a land area of 40-50 hectares and a total area of 150-200 thousand square meters for constructions will be needed. At these sizes, about 600 wholesalers and buyers can operate in the market. The volume of trade in regional wholesale food markets is determined by the amount of food consumed.

According to the form of ownership, markets are divided into state, various types of cooperatives, joint-stock companies and private types. At the initial stage, the share of state capital in the regulatory fund of various forms of wholesale markets should not be less than 51%, 25-30% for local authorities and 7-10% for private entrepreneurs. In this case, the establishment of market control and commercial use by any of the participants is limited.

Regional food markets should operate on the basis of voluntary integration of private, collective, public property and financial instruments according to segment capital. The control package of benefits and promotions should be in the hands of agricultural producers.

In order to activate the work on the creation and successful operation of wholesale markets, it is necessary to consider preferential long-term investment loans to strengthen the material and technical base of wholesale markets.

Founders of wholesale food markets are its members. The main legal document governing market activity is the Regulation. The supreme body of the wholesale food market is the general meeting of founders or contributors.

Wholesale Food Markets is governed by a board of directors elected at the general meeting. In the management of the internal diary and mechanism of decision-making, there should be regulatory documents - Regulations and trade rules. The relationship between the participants in the market is managed by means of contracts for the purchase of agricultural products and food.

Economic efficiency from the establishment of wholesale food markets can be achieved due to the following factors:

- technical (facilitation and acceleration of the process of searching for partners, simplification of mutual calculations, guarantee of product quality, storage of goods if necessary);
- organizational (strengthening of economic relations between producers of agricultural goods and processing enterprises, optimization of commodity flows and product sales prices, getting rid of excessive transport costs, increasing the manageability of the processes of production, storage, processing and sale of agricultural products, agriculture the possibility of planning the size and assortment of farm products, coordination of export-import processes of raw materials and food, increasing the income of producers);
- social (improvement of supplying the population with quality food products throughout the year, industry with raw materials, rationalizing the price of food products due to the objective formation of prices, increasing the stability of agricultural production due to long-term contracts for the supply of products, developing contractual relations , improving service culture and quality).

The main goals of state management of wholesale food markets are to stimulate the production of agricultural products and guarantee the level of profitability of agricultural and processing enterprises that provide expanded reproduction; management of consumption of certain types of goods; market infrastructure should be developed.

The state can use the following as a means of managing wholesale food markets:

- ✓ Stabilization fund of agricultural products, which allows for direct commodity interventions to manage the prices of agricultural products and its processing products;
- ✓ price policy based on guaranteed prices;

- ✓ legal regulation of trade conditions, exclusion of administrative coercion, while maintaining the rights of product owners in wholesale markets, the freedom to sell at an arbitrary price and to an arbitrary buyer;
- ✓ quality control and consumer protection.

Wholesale food markets can be universal (in which there are special structures for certain types of agricultural products) or specialized. First of all, wholesale markets for products that have not been used in production and trade reserves should be created. Prices in wholesale markets serve as a benchmark for other sales channels and for government support for guaranteed prices.

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